



# *Transformation of a Supply Chain Organization*

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Panel Discussion

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# Key Messages

- The Supply Chain transformation, launched in September 2000 with the vision of **Excellence in Partnership for Value Creation**, is Exceeding Expectations
- Development and rigorous execution against our vision, our values, our contribution, and our capabilities ensures sustainability and acceleration of progress
- Successfully addressing the challenges and opportunities could enable capture of savings in excess of our original plan.



# 3 Elements of the Transformation

## 1. LEADERSHIP

### STRATEGY:

- Create value through partnership with the business

### STRUCTURE:

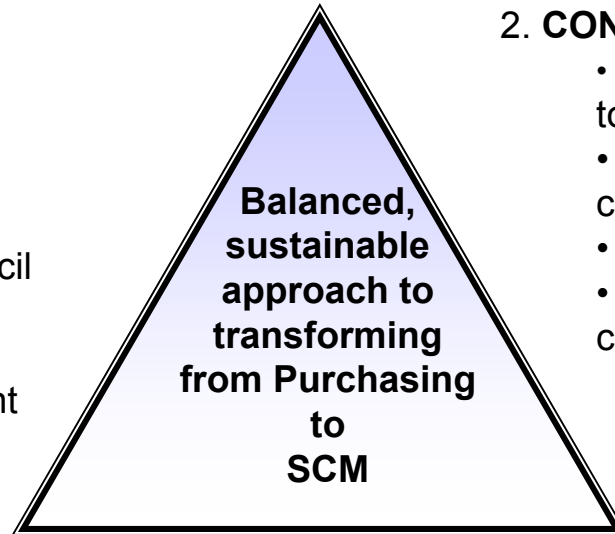
- Establish the Sourcing Council
- Align SCM organization with business structure
- Utilize SVP level engagement

### SKILLS:

- Develop commodity and sourcing expertise

### SYSTEMS:

- Install enabling systems



## 2. CONTRIBUTION

- Act as a strategic partner and enabler to the business
- Align business objectives with supply chain strategy
- Achieve planned savings by 2004
- Ensure integrity and lasting positive change while creating value

## 3. CAPABILITIES

### Enhance:

- Knowledge
- Processes
- Technology
- People
- Culture



# Enhancing our capabilities

## People

- Consistent skill progression
- Learning experiences
- Leadership guidance
- Continuous talent development
- Aligned behaviors

## Process

- Rigorously applied
- Flexible and scaleable
- Repeatable and measurable
- Performed consistently
- Continuously improved

## Technology

- Easy to use
- Robust functionality and flexibility
- Integrated

## Knowledge

- Well organized
- Leverageable
- Used regularly

## Culture

- Values- based
- Disciplined
- Methods & results focused

Continued development of our capabilities is essential to achieving desired future state.



# Our Processes

“streamlined and appropriate processes which empower us in our quest to deliver value”

## *Strategic Sourcing Process*





# Utilizing technology

- Co-developed web-enabled Strategic Sourcing Process with B2eMarkets
  - Electronic reverse auctions in select areas
- Co-developing a web-enabled Supplier Performance Measurement process
  - Supplier self scoring
  - Corrective action
  - Real time performance feedback
  - Collaborative scoring
- Optimizing the use of SAP eProcurement for indirect goods
- Supporting Xelus/ Project Ascend for materials management effectiveness
- Webex global team meetings & information requests

We have used technology to accelerate the pace of our process.



# Our Knowledge

“experts in supply chain management”

- industry and commodity research
- seeking out insights and opinions of others
- benchmarking
- optimizing training, processes and enablers